

MINUTE ITEM

This Calendar Item No. C35 was approved as
Minute Item No. 35 by the California State Lands
Commission by a vote of 3 to 0 at its 02-09-06
meeting.

**CALENDAR ITEM
C35**

A 31
S 16

2/09/06
PRC 7493.1
T. Lipscomb

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Plains Exploration and Production Company
5640 South Fairfax Avenue
Los Angeles, CA 90056

ASSIGNEE:

ConocoPhillips Company
1232 Park Street, Suite 300
Paso Robles, CA 93446

AREA, LAND TYPE, AND LOCATION:

Tide and submerged lands in Old River, at Union Island, Contra Costa and San
Joaquin counties.

AUTHORIZED USE:

Continued use and maintenance of an existing 12-inch diameter steel natural gas
pipeline.

LEASE TERM:

30 years, beginning February 7, 1991.

CONSIDERATION:

\$100 per year; with the State reserving the right to fix a different rent periodically
during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. Assignee has the right to use the uplands adjoining the lease premises.
2. On February 6, 1991, the Commission authorized a General Lease-Right
of Way Use No. PRC 7493.1 for a 12-inch natural gas pipeline with Union
Oil Company of California. This pipeline, which crosses the Old River,
connects to an existing gas well on Union Island, which provides gas to a

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refinery in the city of Richmond. The lease will expire on February 6, 2021.

3. On May 9, 1996, the Commission approved the assignment and amendment of six right-of-way leases and one industrial lease from Union Oil Company of California to Torch Operating Company, which has since merged and become a part of Plains Exploration and Production Company. Commission staff have been informed that General Lease -- Right-of-Way Use, PRC 7493.1 was included in the assignment and amendment in error and that the proper party to hold the lease is ConocoPhillips Company. Plains Exploration and Production Company has agreed to assign the lease to ConocoPhillips.
4. This pipeline is under the jurisdiction of the U.S. Department of Transportation, Office of Pipeline Safety (D.O.T). It was last audited by D.O.T. in April 2005, no deficiencies were reported.
5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

EXHIBITS:

- A. Site Plan
- B. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

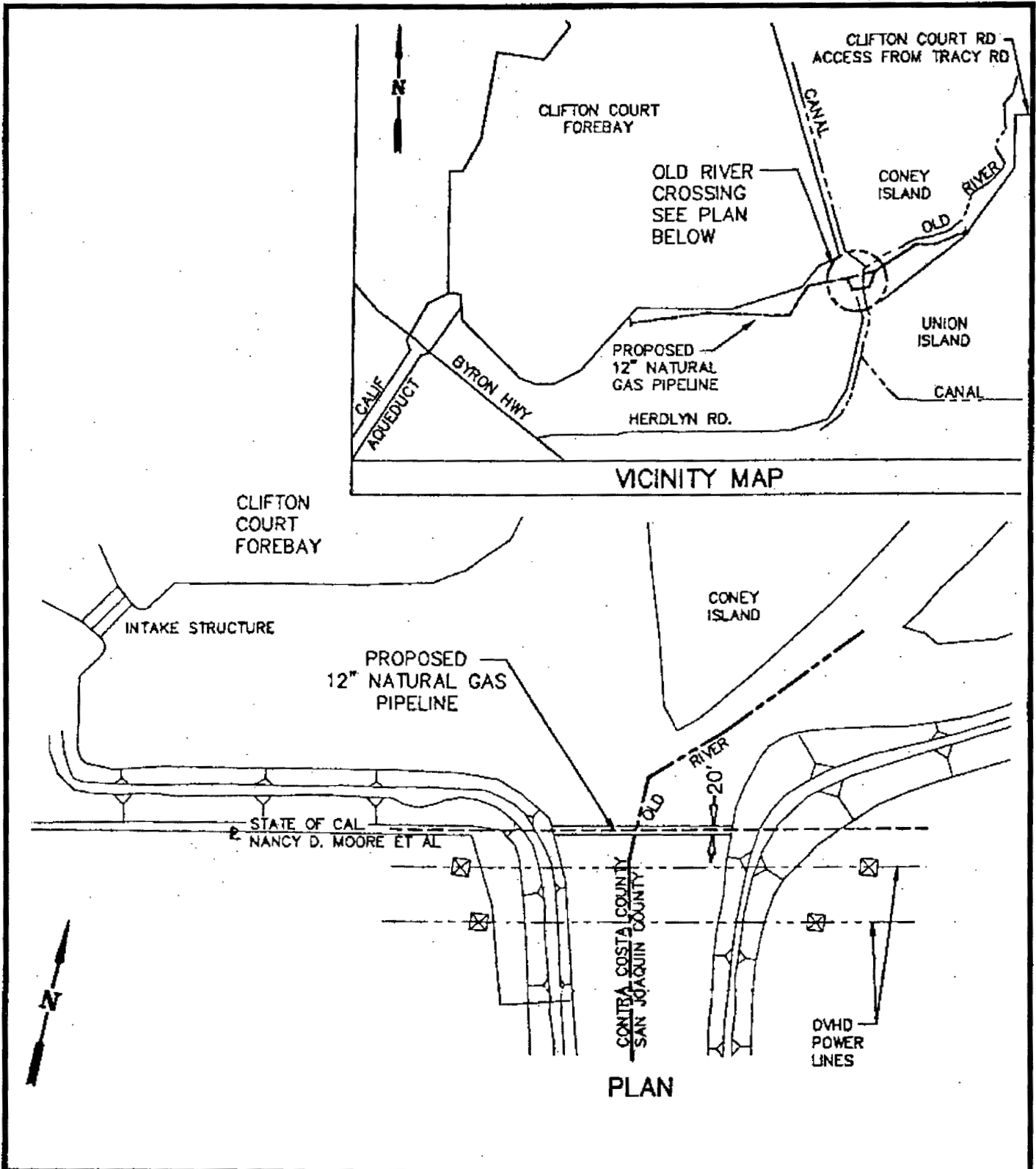
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

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AUTHORIZATION:

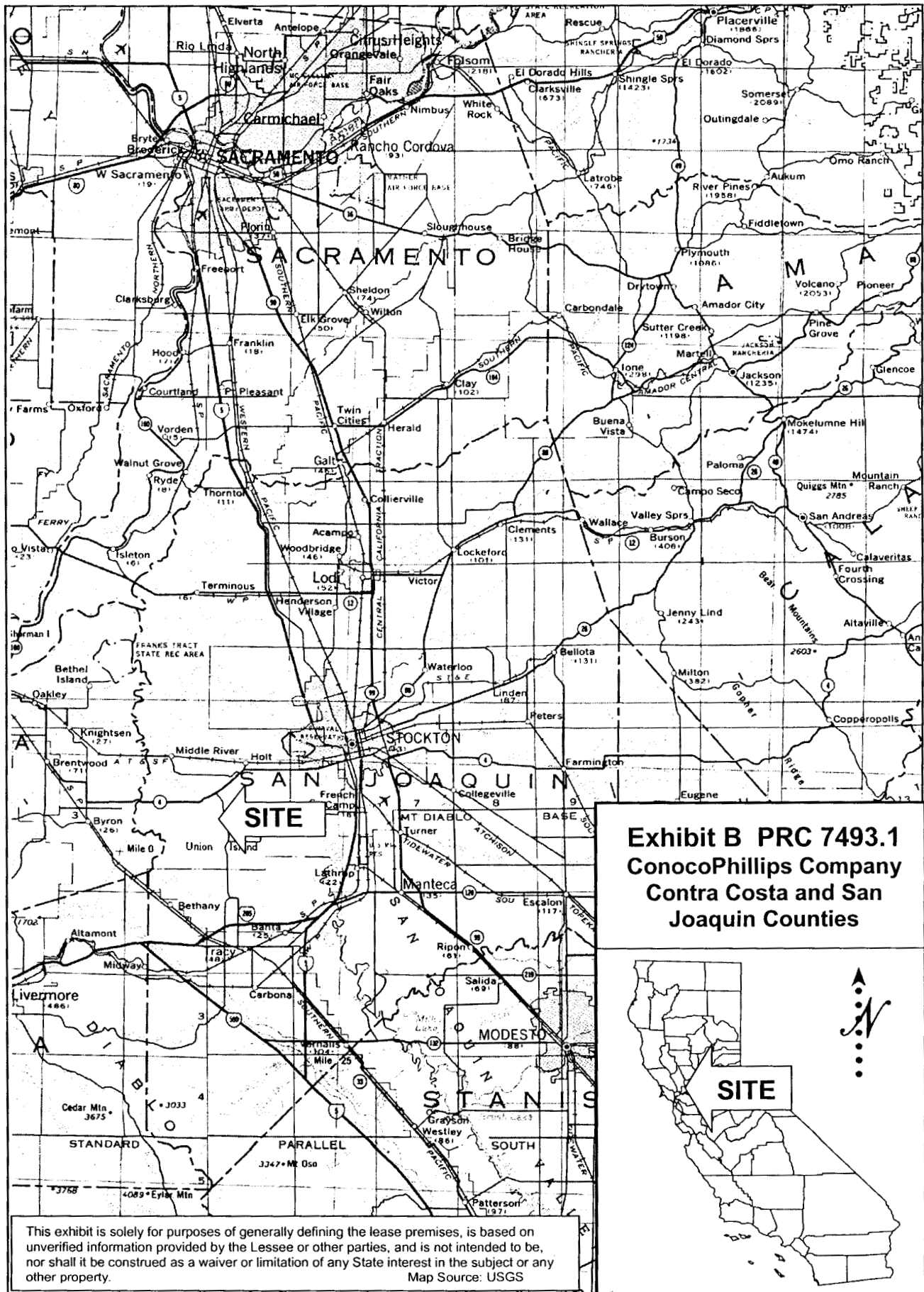
AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 7493.1, A
GENERAL LEASE - RIGHT-OF-WAY USE OF TIDE AND SUBMERGED
LANDS IN OLD RIVER, AT UNION ISLAND, CONTRA COSTA AND SAN
JOAQUIN COUNTIES AS SHOWN ON EXHIBIT A ATTACHED AND BY
THIS REFERENCE MADE A PART HEREOF, FROM PLAINS
EXPLORATION AND PRODUCTION COMPANY TO CONOCOPHILLIPS
COMPANY; EFFECTIVE JANUARY 1, 2003.

Site Plan



This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or other property.

Exhibit A
PRC 7493.1



**Exhibit B PRC 7493.1
ConocoPhillips Company
Contra Costa and San
Joaquin Counties**



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Map Source: USGS